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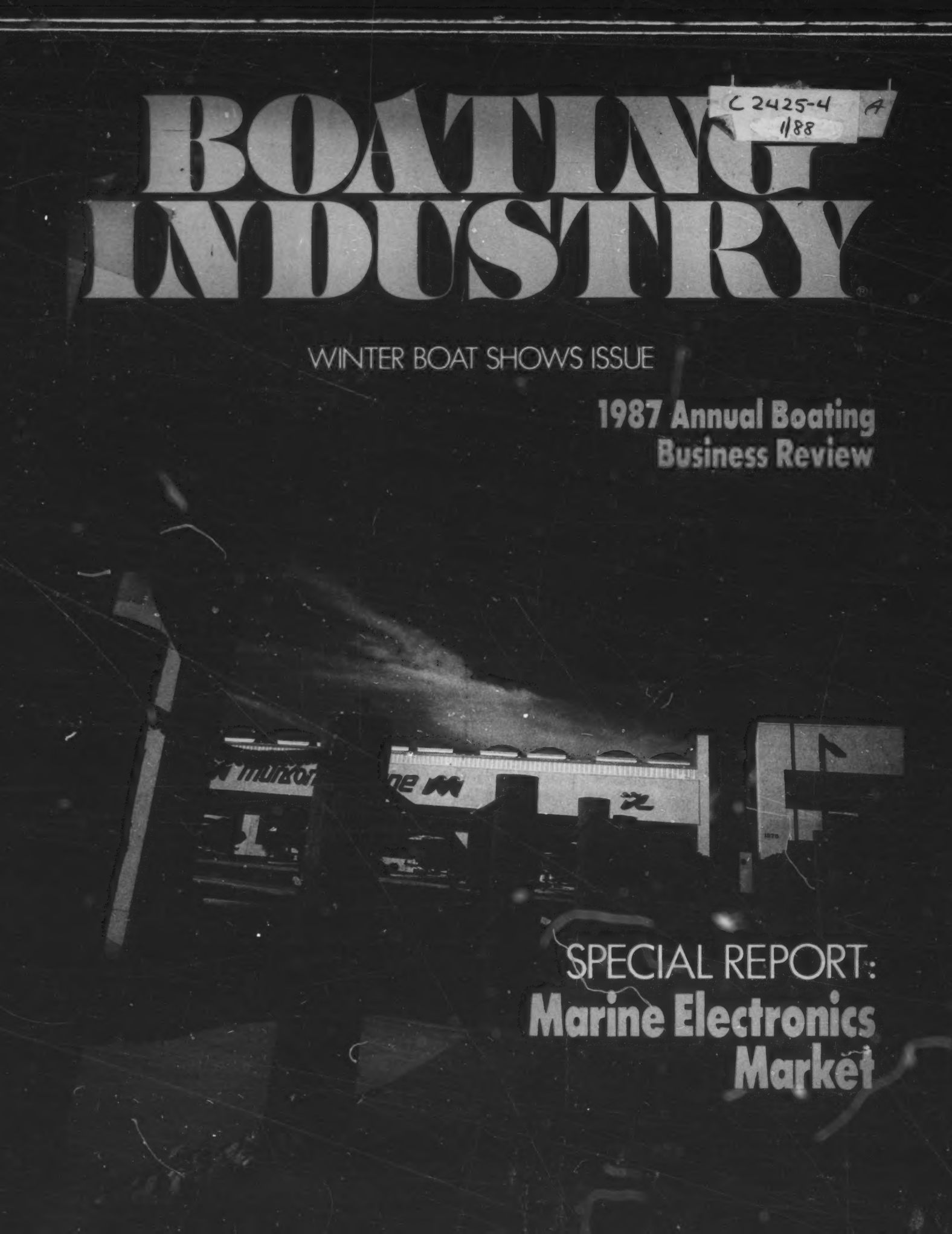
BOATING INDUSTRY

WINTER BOAT SHOWS ISSUE

1987 Annual Boating Business Review



SPECIAL REPORT: Marine Electronics Market

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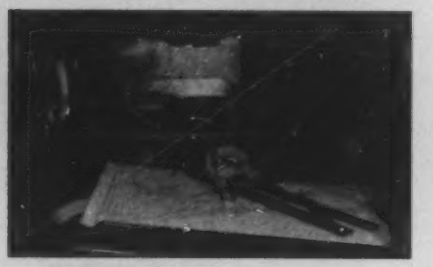

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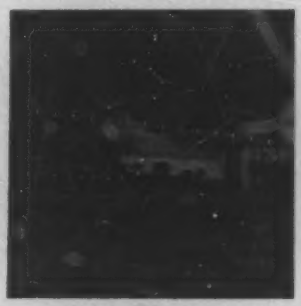


Cover

Munson Marine exemplifies the planning and care that goes into the design of a world-class marine retail facility.
PHOTO: BOUNDAS

Average Length of Outboard Boats Remains Moored at Sixteen Feet

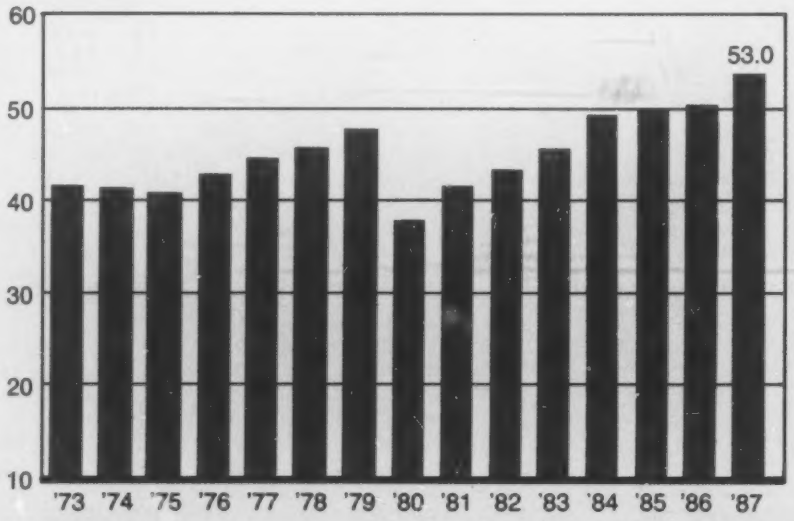
AVERAGE LENGTH

1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
15.1 FEET	16.3 FEET	15.8 FEET	15.8 FEET	15.8 FEET	15.8 FEET	16.0 FEET	16.0 FEET	16.0 FEET	16.0 FEET

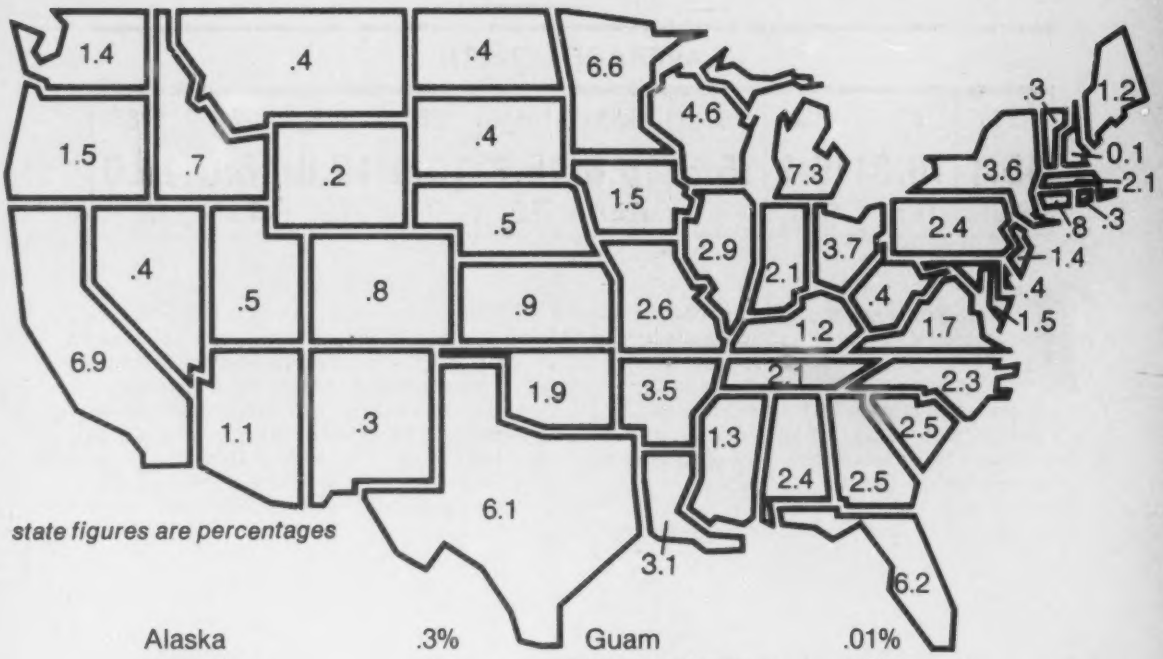
The average length of outboard boats marketed in the United States remained at 16.0 ft for the fourth year in a row. The fact that an ever-growing number of stock boatbuilders are embracing the marketing philosophy which advocates packaging a boat, motor and trailer for the new boat buyer, is breathing staying power into the entry level market. The rash of acquisitions and mergers that have occurred in the past year, have enabled many boatbuilders to become more efficient marketers and stronger competitors in the marketplace. Armed with enhanced purchasing power, new budgets, and a stronger support system, builders are pulling out all stops to romance the affluent baby boomers and convince them that pleasureboating is an extension of their lifestyle. The promotional efforts of individual builders to broaden boating's customer base are being reinforced by a nationwide promotional compaign sponsored by the National Marine Manufacturers Association.

Outboard Motor Horsepower Spirals Upward

In 1987 the average horsepower of outboard motors sold hit the 53.0 mark. This marks the seventh consecutive year in which average horsepower ratings have edged upward, and represents the biggest jump since 1984. The trend is in keeping with the performance orientation of today's boating customer, and the increasing power demands of watersports and fishing activities.



Distribution of 9,876,197 Registered Boats by State



state figures are percentages

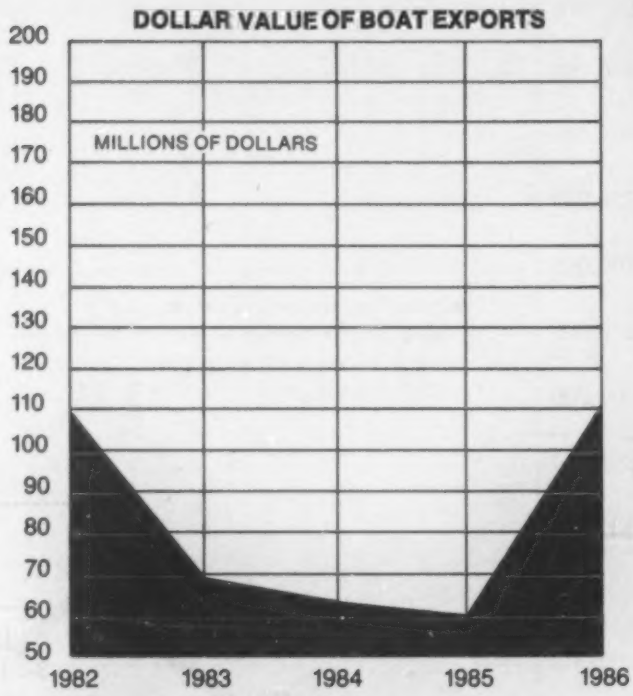
Alaska	.3%	Guam	.01%
Hawaii	.1%	Virgin Islands	.03%
Puerto Rico	.2%	American Samoa	.00%
District of Columbia	.03%	Northern Marianas	.01%

States	Population (thousands)	Total Registered Boats	% of Total Registered Boats in the U.S.	One Boat Per ( ) Persons	Sq. Miles Inland Water	Miles of Coastal Shoreline	EFFECTIVE BUYING INCOME Per Capita	Median Household	Total Households (thousands)	Total Households over $20,000 (thousands)
NEW ENGLAND—477,509 REGISTERED BOATS 4.83% OF U.S. TOTAL										
Connecticut	3,212.0	81,485	0.83%	39.4	147	618	16,182	33,723	1,170.6	842.4
Maine	1,182.4	115,440	1.17%	10.2	2,270	3,473	10,699	21,695	436.9	236.3
Massachusetts	5,876.0	210,407	2.13%	27.9	460	1,519	14.423	28,977	2,190.4	1,437.0
New Hampshire	1,025.1	9,597	0.10%	106.8	286	131	13,366	28,338	379.9	251.5
Rhode Island	980.5	28,000	0.28%	35.0	158	384	12,721	25,936	359.0	220.7
Vermont	544.0	32,580	0.33%	16.7	341	—	10,585	21,447	202.1	108.5
MIDDLE ATLANTIC—1,826,609 REGISTERED BOATS 18.50% OF U.S. TOTAL										
Delaware	630.1	42,831	0.43%	14.7	112	381	12,673	26,477	225.6	140.7
Dist. of Columbia	620.0	3,242	0.03%	191.2	—	—	16,127	24,753	252.9	51.6
Georgia	6,124.0	248,479	2.52%	24.6	854	2,344	11,118	23,495	2,181.9	1,247.2
Maryland	4,486.3	150,858	1.53%	29.7	623	3,190	13,735	30,687	1,619.7	1,114.9
New Jersey	7,687.3	141,655	1.43%	54.3	319	1,792	15,101	31,273	2,804.8	1,915.2
New York	17,979.6	358,400	3.63%	50.2	1,731	1,850	14,010	26,550	6,721.2	4,137.9
North Carolina	6,386.6	229,758	2.33%	27.8	3,826	3,375	10,484	21,141	2,344.6	1,235.3
Pennsylvania	11,953.5	236.455	2.39%	50.6	420	89	11,868	23,968	4,496.3	2,624.3
South Carolina	3,436.4	249,113	2.52%	13.8	909	2,876	9,680	20,419	1,225.9	625.0
Virginia	5,845.1	165,818	1.68%	35.3	1,063	3,315	12,826	27,757	2,065.4	1,334.5

'86 Exports Soar in Dollar Value

The export market for American boats and boating products soared in 1986; posting its best year since 1982 — $111 million; or 83% more than in 1985. A plummeting dollar working hand in hand with a revitalized demand for products manufactured in the United States gladdened the hearts of export agents across the nation. This sector had been in decline for the past five years, although losses had continued to diminish percentagewise in the last two years.

In terms of dollar volume, the leading market for boats and boating products made in the USA were: Canada ($24.6M); Singapore ($8.3M); Japan ($7.9M); France ($5.8M); Netherlands ($5.8M); West Germany ($5.4M); Italy ($4.6M); Bahamas ($2.8M); Switzerland ($2.6M); and United Kingdom ($2.5M).



DOLLAR VALUE OF BOAT EXPORTS

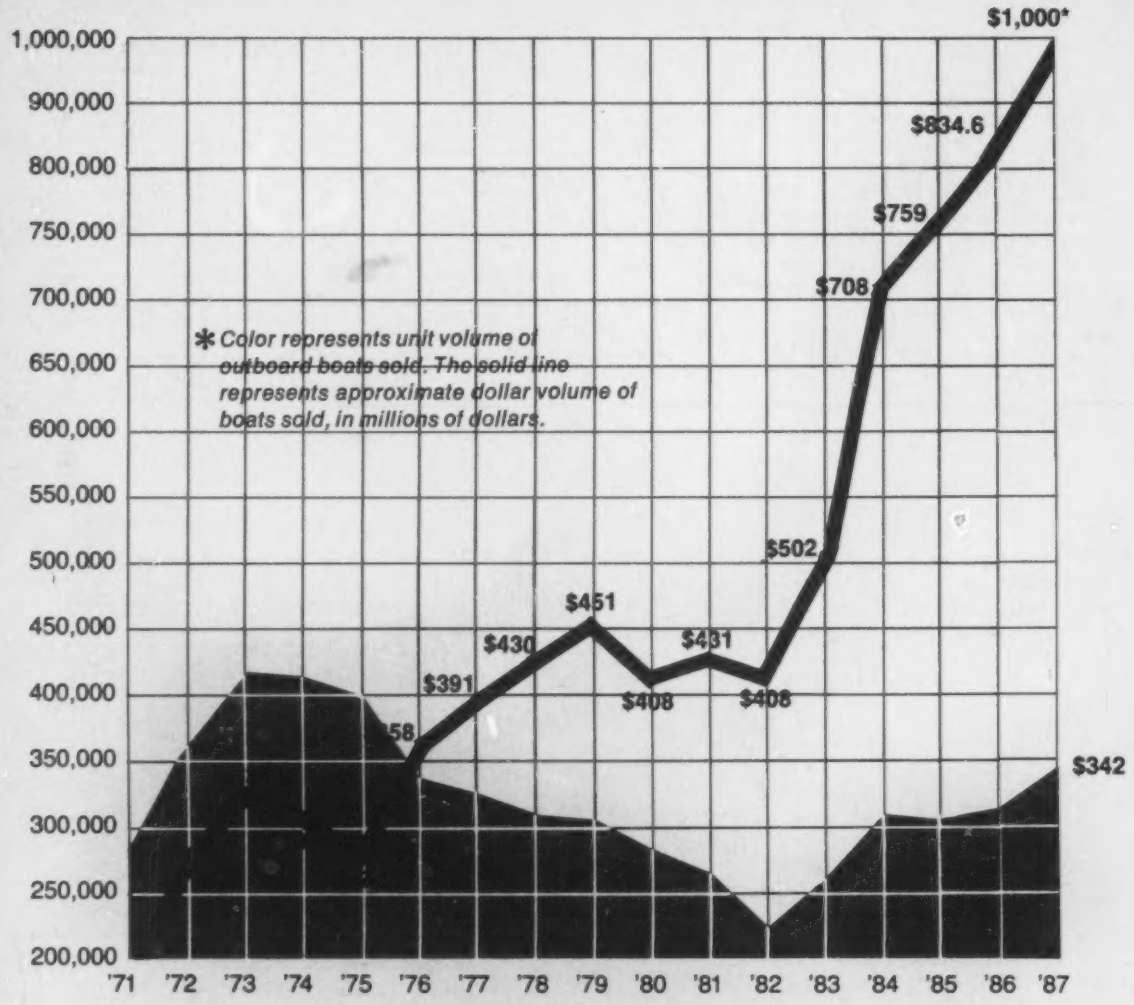
Year	Value	%Change
1986	$110,960,000	+83.1
1985	$ 60,596,000	−7.1
1984	$ 65,249,000	−8.8
1983	$ 71,537,000	−37
1982	$113,661,000	−21.7
1981	$145,136,693	−26.0
1980	$154,842,274	+8.9
1979	$142,148,702	+60.2
1978	$ 88,724,112	+13.2
1977	$ 77,963,753	+4.8

BEST EXPORT MARKETS

American producers of boats and boating products found the markets listed below to be the most lucrative for their output.

Canada	West Germany
Singapore	Italy
Japan	Bahamas
France	Switzerland
Netherlands	United Kingdom

Outboard Boat Sales Reach Billion Dollar Mark



The year 1987 marked the continuation of an exceptionally healthy market for outboard boats. A record $1 billion in sales and a ten-year high in units sold — 342,000 — culminated twelve months of record profits for the nation's producers of outboard boats.

The 19.8% increase in dollars and 8.9% rise in unit sales has been powered by aggressive marketing tactics on the part of boatbuilders who are taking increasingly bold steps to secure market share, and to reinforce their customer base. In addition to the accommodating market and bold market strategies, the demand for output is being fueled by the ever-growing strength of the fishing market. The sport now occupies second place in recreational sport surveys, right after swimming. An estimated 44 million people go fishing every year across the United States, and it is widely held that two-thirds of the people who buy boats buy them for the principal purpose of going fishing.

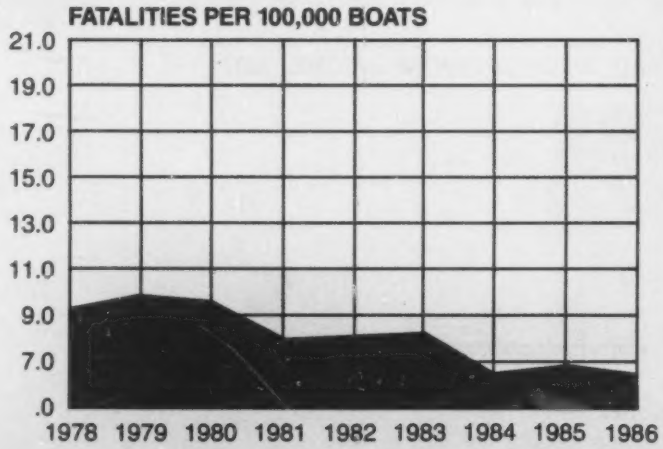
Accidents Edge Upward in 1986

In 1986 the number of boating accidents reported to the Coast Guard rose slightly to 6,047, a 2.8% increase over 1985. This represented an improvement over the 9.6% rise reported in 1985. According to the U.S. Coast Guard, the most frequent type of boating accident is collision-related, followed by capsizing and falls overboard.

1983	1984	1985	1986	
5,569	5,700	6,237	6,407	boating accidents reported to the Coast Guard
7,344	7,510	8,305	8,399	boats involved in accidents reported to the Coast Guard
1,241	1,063	1,116	1,066	lives lost in boating accidents reported to the Coast Guard
2,913	2,709	2,757	2,847	persons injured non-fatally in boating accidents reported to the Coast Guard

Fatalities Decline: Death Rate Per 100,000 Boats is 6.5

The fatality rate per 100,000 boats declined in 1986 to 6.5, almost matching the low point reached in 1984 of 6.4. It is widely held that the stepped-up public awareness programs related to alcohol and boating as well as other boating safety campaigns have been instrumental in bettering the industry's safety record. With the advent of mandatory boating safety education on the horizon, these figures should continue to improve.



The Average Dealer, 1987

The entry of motormakers into the boat manufacturing side of the industry dominated as a topic of discussion among dealers in 1987. Questions were raised about how these crossovers in product lines would affect dealer franchises and long-standing loyalties. The trend toward packaging boats, motors, and trailers—while definitely a terrific boon to entry-level sales, created a host of service problems for some dealers who viewed pre-rigging as a mixed blessing.

Legal issues also weighed heavily on the minds of dealers in 1987. Dealers found themselves still contending with the issue of product liability. A number of states, however, have action pending on this issue, and several others have passed some reform measures. And so, it appears the situation has eased for some boat dealers, but only on a spotty basis.

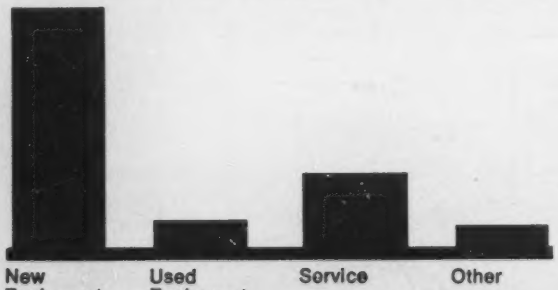
A landmark decision by the state of Maryland commanded the attention of all marine retailers. The state passed a law requiring boating safety education for boat operators. Other states are giving serious consideration to following Maryland's example, and it is the general consensus that in the near future many states will have similar mandates on their books. Without a doubt, the retailer will have come to grips with the fact that their promotional efforts and selling techniques in the showroom will have to be revamped in order to minimize any negative impact generated by the educational stipulations that will be in place.

The average retailer enjoyed an excellent selling season; however, those dealers located in areas of the country still plagued by unemployment faced an uphill struggle. Dealer buying activity was especially heavy this past year; '88 product was snapped up at the dealer meetings, and by late fall, there was very little '87 product in the pipeline. Manufacturers, in turn, added more models to their lines, and many made a concerted effort to enhance their manufacturing and marketing operations. Consequently, many retailers enjoyed improved delivery dates and uprated support services.

Dealers continue to feel the pressure from mail order companies, especially in the area of marine electronics; a key profitmaking accessory. The dealer's plight has been complicated by a glut in certain types of electronic equipment, and the difficult task of offering their customers the lowest prices on marine electronics. On a brighter note, marine electronics dealers faced less competition with high ticket items, such as radar, satnav, and plotters which require hands-on service.

1988 holds great challenge for the marine retailers of America; however, they have never been as well prepared as they are today.

SOURCES OF GROSS INCOME, 1987



Marinas and Boatyards, 1987

1987 was a good year for the marina industry. Income and profits were significantly higher for many, largely due to slip and storage rates up 30–50%. Boatyard labor rates went up modestly, while service demand was way up. The number of marinas offer full service repairs slid down. Labor shortages were widespread and higher than normal. Transient business was excellent.

Modernization of older marinas is well underway and will increase in the next decade. Owners are buying, vs building, replacement dock systems...good news for marina manufacturers and boat owners. Dockage quality is improving. Dry stack storage offers high potential for marina expansion.

Dredging continues to be a major permit hurdle; cost of getting permits can exceed the actual cost of small projects. Three inch thick environmental impact reports for new marina projects have been needed to convince agencies and public that boating is not bad for the environment.

Dockominium conversion profit taking reached into most coastal and Great Lakes states, and even had its own national conference last August. Public agencies are dubious about allowing water surface to be sold off in small slip size pieces. Several states are considering anti-dockc legislation. Watch out for astronomical property tax increases on docko slips, and maybe all marinas.

Over 8,400 marinas, boatyards, yacht clubs and other boating facilities were surveyed for the first time nationwide in 1987. This joint NMMA, Sea Grant and International Marina Institute study shows a robust, dynamic, changing marina industry which accounts for half the income into the boating industry.

The Water Ski Market

PEOPLE: 13,158,000 persons participated in water skiing at least once during 1987.

WATER SKI SALES: In 1987, 438,553 water skis of all types were sold as compared to 371,875 units in 1986. This represents a gain of 18.1% over the previous year. Total dollar sales at the wholesale level in 1987 reached $40,633,000, an increase of 40.4% over 1986 sales which totaled $28,950,000.

WATER SKI BOATS: In 1987 sales of water ski boats totaled $89,089,000, an increase of 27.1% over 1986 sales which totaled $70,061,000.

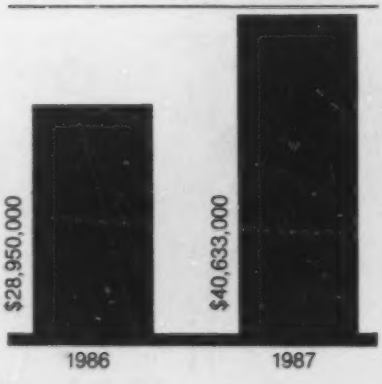
WATER SKI ACCESSORIES: Sales of water ski accessories at the wholesale level in 1987 totaled $63,311,000 in comparison to 1986 sales of $60,475,000. This represents an increase of 4.6%.

1987 SKI ACCESSORY SALES BY TYPE:

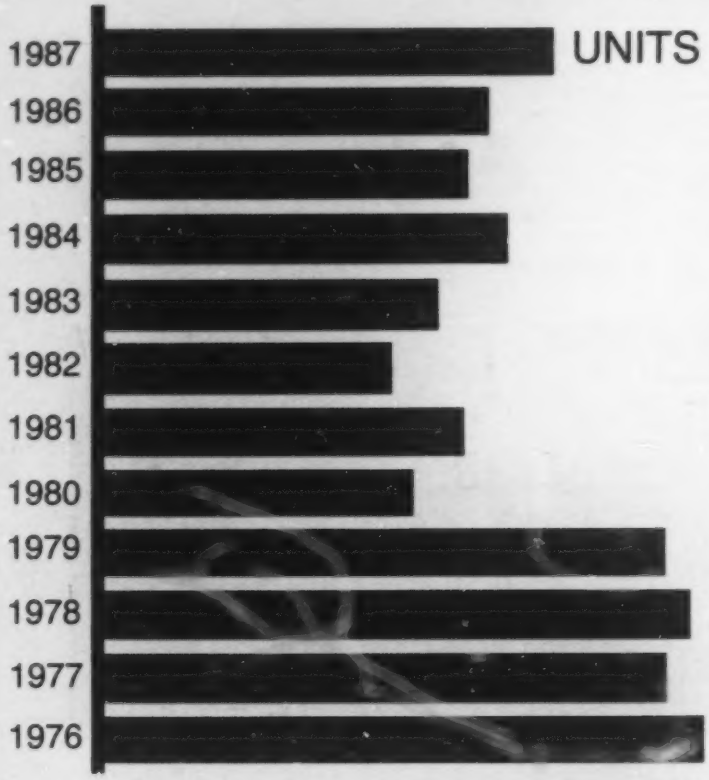
$8,450,000 All Vests (+ .2%)
4,283,000 Rope (+ 2.1%)
122,000 Wetsuits (- 34%)
3,490,000 Kneeboards (- 10%)
4,739,000 All Other (+ 48%)

Figures tabulated from several sources, including the Water Ski Industry Association, North Palm Beach, Fla.

DOLLAR SALES OF WATER SKIS

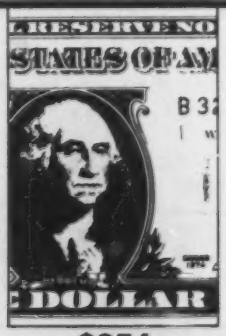


Trailer Market in Fast Lane



The strong surge in powerboat buying activity finally freed trailer marketers from the doldrums where sales had been steadfastly flat for the past three years. Trailer manufacturers marketed 216,000 units in 1987, the best showing since 1979 when 276,000 were sold. Sales in '87 represented a unit increase of 11.3%; average retail prices only rose 2.2% compared to an 8% increase in '86. Increased marketing efficiency by boatbuilders and the wide proliferation of boat package sales have played a key role in the heightened demand for trailers. Also influencing demand in the marketplace are shrinking coastlines, as well as a chronic shortage of slips in many boating communities. The preferential treatment often accorded owners of the bigger powerboats and yachts at marinas, as well as the rapidly escalating slip rates, also serve to encourage boat trailering.

TOTAL SALES

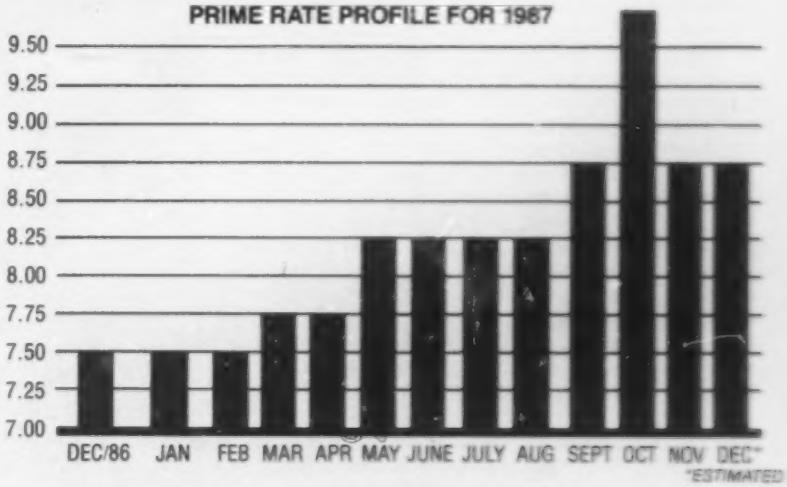
$146,800,000	$151,680,000	$165,676,000	$188,568,000
			
$734	$790	$854	$873
1984	1985	1986	1987

AVERAGE RETAIL COST

Financial Marketplace

Financiers are parlaying in-house agreements between operating units, absorbing competitors, or simply widening geographic penetration to attract more boat loan business. These actions have extended a wide choice of consumer finance programs to all corners of the country and increased floorplan lines and funds for marine dealers. In a related development, direct ties between boatbuilders and major money marketers have been forged, resulting in customized lending programs. While the spotlight has been focused on arrangements between large volume builders and the automakers' finance captives, ties have also been established between other boat producers and national finance subsidiaries of major commercial banks, regional bank networks and even local independent banks and savings institutions. Concurrently, specialized companies which lend exclusively to the marine sector are broadening their reach into new service areas. Based upon marine portfolios which exceeded $3.5 billion in the 1986 calendar year, marine loan volume increased 56%, while total consumer loan volume rose by 15% in comparison to 1985.

Source:
National Marine Bankers Association



Accessories Market Hot!

The accessories market continues to ride high on the industry's wave of prosperity. In 1987, consumers spent an estimated $1,158,400,000 on marine accessories, an increase of 17% over 1986 sales which totaled $990,100,000. Two primary reasons for the healthy sales picture are the heavy consumer purchases of powerboats, and the renewed appeal of domestic products as a consequence of rising prices for imports. There has been good, solid growth in the aftermarket; however, this has been eclipsed by the volume of OEM business. Many accessory manufacturers have overhauled their market plans, consolidating distribution of their products in the hands of fewer but bigger outlets to reduce the cost of doing business. Manufacturers are also finding it effective, and profitable, to conduct factory promotions directly to the aftermarket, while working with distributors and dealers to harvest the sales leads under co-op arrangements. The general strengthening of the marketplace now affords accessory producers the opportunity to broaden their product line, which multiplies marketing opportunities that often translate into greater profits and more generous allocations for research and development.

Sailboat Market Becalmed

Despite high expectations, the sail industry failed to rally in 1987. Sales of non-powered sailboats overall dipped 11.4% while sales activity in the auxiliary-powered sector under 30 ft remained flat. Only the bigger yachts — auxiliary-powered craft over 30 ft — showed any gain. Even here, unit sales rose by only .3%. Dollars, however, increased by 12.8% in this sector as a consequence of price increases and buying activity of the bigger, more expensive craft. A number of sailboat producers threw in the towel in '87, dropping out of the market altogether, or regrouping their resources and targeting the lucrative power market. On the other hand, those builders that have elected to stay in the sailboat market remain bullish about the future, and are pursuing the market with revamped pricing, promotion, product, and distribution strategies. Two favorable factors influencing the sail market are the 35-50-year-old buying group (often two income families that can afford high-end sailboats) and the promotional opportunities created by the America's Cup which has generated enthusiasm and a general awareness of the sport. One other plus is the weakening of the dollar which has made sailboat imports more expensive and spurred consumers to take a second look at the re-designed American offerings. Critical to the long-term health of the industry is greater public exposure to attract newcomers to the sport.

	1985	1986	1987
NON-POWERED SAILBOATS, ALL SIZES*			
Total units sold	34,000	33,300	29,500
Retail value	$115,430,000	$88,415,000	$75,815,000
Average retail unit cost	$3,395	$2,655	$2,570
AUXILIARY-POWERED SAILBOATS, 30 FT AND UNDER			
Total units sold	1,100	1,100	1,100
Retail value	$37,335,000	$40,651,000	$39,329,400
Average retail unit cost	$33,941	$36,956	$35,754
AUXILIARY-POWERED SAILBOATS, 30 FT AND OVER			
Total units sold	2,700	2,800	2,900
Retail value	$217,620,000	$236,880,000	$267,171,000
Average retail unit cost	$80,600	$84,600	$92,128

*DOES NOT INCLUDE SAILBOARDS

An Overview of 1987 Boating Highlights

1987 turned out to be another record-setter for the boating industry. For the fifth consecutive year, recreational boating scored significant gains in almost all product sectors, with the biggest rebound taking place in the export market. The power side of the industry continued as the dominant factor in the market's strong drive. Both engine producers and the leading boatbuilders reinforced their niches in the marketplace, and deployed their resources as needed to reach well defined objectives. Vertical integration seemed to be a favored marketing strategy among industry leaders, and a rash of acquisitions and mergers took place throughout the year. Whereas in the past many of these takeovers were primarily aimed at controlling sources of raw materials, in the last few years the aim has been to control markets for the parent company's output. Changes in top level management in terms of human resources as well as the functions of key people in executive posts have been plentiful and have left many in a confused state as to how these corporate shuffles impact on their retail operations.

Despite the debacle in the stock market at year end, fundamental economic factors augur a good future in the coming year. For the moment our supply of oil has not been affected by the frequent skirmishes in the Middle East, marine portfolios are deemed to be desirable by the banking community, interest rates have not skyrocketed, and the demographics of consumers representing our best prospects are in tune with the makeup of the country's population. Despite dire predictions and frequent scares, Capitol Hill has not burdened us with oppressive legislation, and apparently the only real setback to industry lobbyists was the passage of a mandatory boating safety education law in the state of Maryland.

A LOOK AT OTHER HAPPENINGS IN THE WORLD OF BOATING

- Outboard Marine Corporation announced its intent to open a chain of retail stores called Top of the Dock to market Four Winns boats, Evinrude and Johnson outboards, as well as general boating merchandise in select shopping malls around the country. The venture is described as a cooperative effort between the Waukegan, Illinois conglomerate and the Four Winns dealer network.
- In an unprecedented move, the U.S. Yacht Racing Union elected to lend its prestige to select professional sailing events in 1988. USYRU will receive a fee for its support of these events, and will set up a separate arm to deal with the new profit center.
- Seven boatbuilders formed the first stock boat buying cooperative—Marine Buyers Associates, Inc., based in Greenville, NC. The object of the alliance was to qualify for volume discounts in their purchases of engines, boatbuilding materials, etc., and thus strengthen their competitive position in the industry, which has been weakened by vertical integrated companies.
- The State of Maryland passed a mandatory boating safety education law, opening the floodgates for other states to follow suit in the months to come. A model law was drafted and approved by the National Association of Boating Law Administrators; however, its provisions have run into opposition from influential groups.

- Genmar added its fifth boatbuilder to the marine group, Glaston-Conroy Ltd. based in New Braunfels, TX. The runabout company joins Wellcraft, Hatteras Yachts, Larson Boats and Lund Boats in the Genmar stable. Meanwhile, Genmar chairman Irwin Jacobs is efficiently buying up OMC stock which leads industry observers to start placing bets on what the next earth-shattering news will be.
- Outboard Marine Corporation embellished its holdings in the boatbuilding sector by adding Bramco, Inc., builders of Seaswirl boats in Culver, OR. The other builders on the OMC team are: Four Winns Inc., Lowe Industries, Stratos Boat Co. and Sunbird Boat Co.
- *Boating Industry Magazine* was sold to Communication Channels, Inc., an Atlanta-based publishing company. CBS sold both *Boating Magazine* and *Yachting* to CBS Magazines president Peter Diamandis, who two weeks later sold *Yachting Magazine* to the Times Mirror Co.
- New Zealand's Michael Fay caused an uproar in American boating circles by winning a court decision in New York State that would permit him to make a bid for the America's Cup in a yacht of his own choice. Fay will bring a maxi boat to the races, disrupting the twelve-meter yacht tradition that has been in place since 1958.

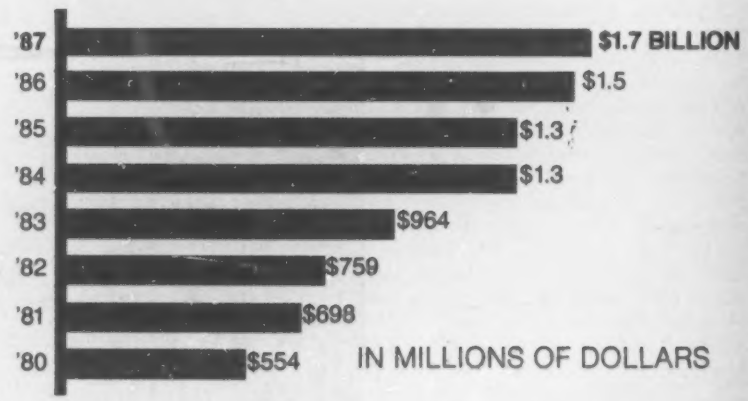
Sales of New Outboard Boats, Motors and Inboard/Outdrive Boats

IN DOLLARS AND UNITS

	1984	1985	1986	1987
$3,887 AVERAGE RETAIL COST OF 1987 OUTBOARD MOTOR				
Total units sold	411,000	392,000	410,000	444,000
Retail value	$1,293,828,000	$1,319,080,000	$1,463,700,000	$1,725,828,000
Average value	$3,148	$3,365	$3,570	$3,887
$2,927 AVERAGE RETAIL COST OF 1987 OUTBOARD BOAT				
Total units sold	317,000	305,000	314,000	342,000
Retail value	$708,178,000	$759,450,000	$834,600,000	$1,001,003,000
Average value	$2,234	$2,490	$2,658	$2,927
$17,015 AVERAGE RETAIL COST OF 1987 INBOARD/OUTDRIVE BOAT				
Total units sold	108,000	115,000	120,000	144,000
Retail value	$1,442,016,000	$1,663,360,000	$1,860,960,000	$2,450,160,000
Average value	$13,352	$14,464	$15,508	$17,015
$873 AVERAGE RETAIL COST OF 1987 TRAILER				
Total units sold	200,000	192,000	194,000	216,000
Retail value	$146,800,000	$151,680,000	$165,676,000	$188,568,000
Average value	$734	$790	$854	$873

Outboard Motor Sales

Unit sales of outboard motors made their strongest showing since 1984. In 1987 unit sales increased by 34,000 units, an increase of 8.3% over the previous year. Dollar gains were equally strong, with an increase of slightly over $260 million chalked up in '87; a gain of almost 18% over 1986. Price increases also jumped in '87, with the average retail value escalating 8.9%. Price increases in 1985 and 1986 only averaged 7% and 6.5% respectively. Promoting the sale of boat packages (boat, motor, and trailer) and exercising greater control over consumer markets were key marketing strategies for outboard motor manufacturers in '87.



BOATING INDUSTRY

The Boating Business

BOATING INDUSTRY's annual statistical review of the recreational marine industry's market performance in the year just past. The data presented in this report is intended to be used as a tool in decision-making and general business planning in 1988. Some figures are derived from our own nationwide surveys; other data has been supplied by the National Marine Manufacturers Association (NMMA), the U.S. Coast Guard, the U.S. Chamber of Commerce, and other reliable industry sources. In 1987, the pleasureboating industry experienced an unparalleled fifth year of consecutive growth. Industry confidence in the future remains strong.

1987

1987 Estimates of the Size of the Recreational Boating Industry

ACROSS THE COUNTRY

PEOPLE: 69,775,000 Americans participated in recreational boating in 1987, having used the waterways more than once or twice during the year.

WATER SKIERS: Approximately 13,158,000 went water skiing.

BOATS: 14,835,000 pleasure craft made their way through U.S. waters. The following is a breakdown by boat type and propulsion. Due to this format, the total of these individual estimates will exceed the total pleasure craft population estimate quoted above.

OUTBOARD BOATS: 7,787,000 outboard boats owned in the U.S.

INBOARD BOATS: The 464,000 inboard boats owned include

auxiliary-powered sailboats and boats documented by the U.S. Coast Guard.

SAILBOATS: 1,229,000 sailboats without inboard power were in use in 1987 on all waters.

OPEN-DECK BOATS: An estimated 157,000 deck boats were in use.

HOUSEBOATS: 34,500 houseboats were estimated to have been in use.

INBOARD/OUTDRIVE BOATS: There were an estimated 1,208,000 inboard/outdrive boats in use at the close of 1987.

MISCELLANEOUS: An estimated 3,938,000 rowboats, canoes, dinghies, prams and other miscellaneous craft were owned at the end of 1987.

OUTBOARD MOTORS: 10,469,000 outboard motors were in use during 1987.

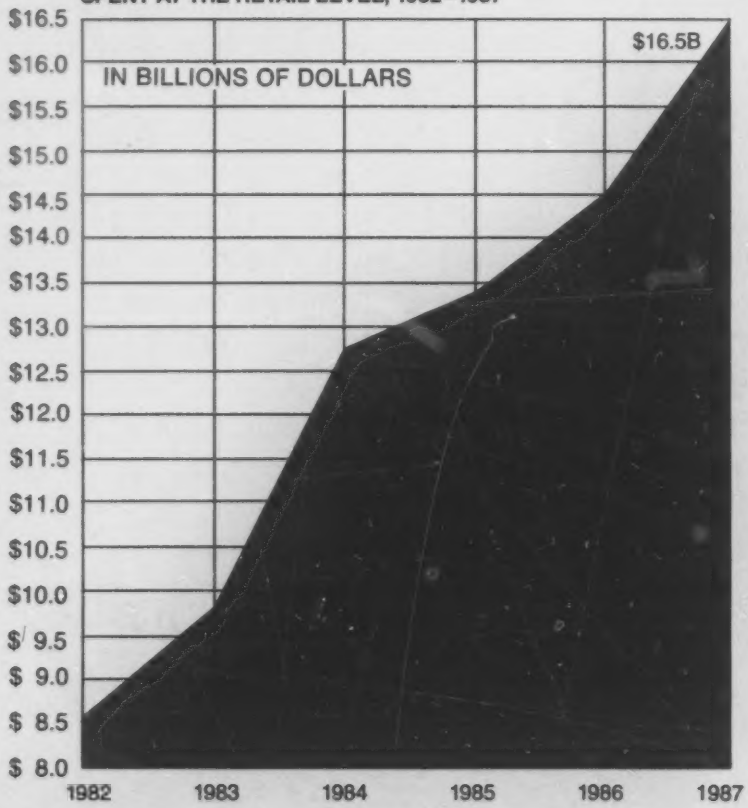
INBOARD ENGINES: Approximately 2,101,000 inboard gasoline and diesel engines were owned, including conversions of automotive engines.

JET DRIVES: By the end of 1987, it is estimated that the number of jet drives in use was 99,000.

BOAT TRAILERS: Approximately 5,520,000 boat trailers were owned in 1987, including those that were both home-made and factory-produced.

MARINAS: Approximately 8,320 marinas, boatyards, yacht clubs, dockominiums, and parks served boaters in the United States during 1987.

SPENT AT THE RETAIL LEVEL, 1982–1987



1987 SALES ESTIMATES

Approximately $16,500,000 was spent at the retail level for new and used boats, motors and engines, accessories, safety equipment, fuel, insurance, docking, maintenance, launching, storage, repairs, and club memberships.

342,000 outboard boats
19,700 inboard boats
144,000 inboard/outdrive boats
22,500 pontoon boats
29,500 non-powered sailboats (excludes sailboards)
70,000 sailboards
4,000 auxiliary-powered sailboats
85,300 canoes
216,000 boat trailers
444,000 outboard motors
30,200 inflatable boats

The source of the figures in the Effective Buying Income section and Population section are from the July 1987 issue of *Sales and Marketing Management.* The figures are estimated for 12/31/86.

The source of the figures used in the Inland Water section is the U.S. Bureau of the Census, Areas of the U.S., 1980 State Area Management Print-Out.

The source of the Coastal Shoreline figures is the U.S. Oceanic and Atmospheric Administration, *the Coastline of the U.S., 1975.*

States	Population (thousands)	Total Registered Boats	% of Total Registered Boats in the U.S.	One Boat Per ( ) Persons	Sq. Miles Inland Water*	Miles of Coastal Shoreline	EFFECTIVE BUYING INCOME Per Capita	Median Household	Total Households (thousands)	Total Households over $20,000 (thousands)
GULF COAST—1,899,511 REGISTERED BOATS 19.23% OF U.S. TOTAL										
Alabama	4,093.1	240,100	2.43%	17.0	938	607	9,537	19,072	1,497.7	717.7
Florida	11,740.6	613,532	6.21%	19.1	4,511	5,095	12,114	22,260	4,692.1	2,579.4
Louisiana	4,547.0	309,477	3.13%	14.7	3,230	7,721	9,832	20,689	1,594.3	818.8
Mississippi	2,668.4	130,573	1.32%	20.4	456	359	8,401	17,111	927.6	400.9
Texas	16,738.1	605,829	6.14%	27.6	4,790	3,359	11,657	24,272	5,944.1	3,462.1
EAST CENTRAL—968,477 REGISTERED BOATS 9.81% OF U.S. TOTAL										
Arkansas	2,404.8	343,851	3.48%	7.0	1,109	—	9,539	18,352	881.2	405.5
Kentucky	3,777.6	119,857	1.21%	31.5	740	—	9,742	19,482	1,353.5	661.1
Missouri	5,149.3	254,166	2.57%	20.3	752	—	11,521	23,084	1,890.0	1,064.1
Tennessee	4,852.5	207,409	2.10%	23.4	989	—	10,228	20,426	1,797.9	916.0
West Virginia	1,951.7	43,194	0.44%	45.2	112	—	9,231	18,615	884.7	496.0
GREAT LAKES—2,677,055 REGISTERED BOATS 27.11% OF U.S. TOTAL										
Illinois	11,663.2	287,586	2.91%	40.6	700	—	13,169	27,323	4,277.7	2,699.7
Indiana	5,571.9	203,275	2.06%	27.4	253	—	11,191	24,382	2,012.4	1,194.3
Michigan	9,222.9	716,441	7.25%	12.9	1,573	—	12,107	26,056	3,338.5	2,052.4
Minnesota	4,292.7	655,389	6.64%	6.5	4,854	—	12,346	25,470	1,585.9	962.3
Ohio	10,837.3	361,883	3.66%	29.9	325	—	11,814	24,665	4,043.9	2,406.2
Wisconsin	4,834.6	452,481	4.58%	10.7	1,727	—	11,693	24,483	1,795.4	1,068.8
*Excludes the waters of the adjacent Great Lakes. Areas listed in sq. miles: Lake Michigan (22,179), Lake Erie (5,002), Lake Superior (21,118), Lake Huron (8,975).										
WEST COAST—971,861 REGISTERED BOATS 9.84% OF U.S. TOTAL										
California	27,080.8	679,880	6.88%	39.8	2,407	3,427	14,062	28,227	9,976.6	6,409.5
Oregon	2,726.8	149,970	1.52%	18.2	889	1,410	11,048	22,306	1,048.7	578.7
Washington	4,479.3	142,011	1.44%	31.5	1,627	3,026	12,636	25,535	1,744.2	1,054.9
MIDWEST MOUNTAINS—984,847 REGISTERED BOATS 9.97% OF U.S. TOTAL										
Arizona	3,327.4	108,166	1.10%	30.8	492	—	11,414	22,948	1,270.7	716.9
Colorado	3,300.1	73,992	0.75%	44.6	496	—	12,958	26,397	1,289.0	806.7
Idaho	1,036.5	70,512	0.71%	14.7	1,153	—	9,647	21,264	355.6	188.7
Iowa	2,909.5	151,066	1.53%	19.3	309	—	11,248	21,837	1,112.8	602.4
Kansas	2,483.9	86,631	0.88%	28.7	499	—	12,887	24,603	939.9	557.4
Montana	841.6	35,398	0.36%	23.8	1,657	—	9,895	19,762	322.7	159.5
Nebraska	1,624.6	52,749	0.53%	30.8	711	—	11,728	22,446	612.5	339.1
Nevada	963.9	35,033	0.35%	27.5	667	—	12,660	25,002	393.8	237.8
New Mexico	1,494.2	31,220	0.32%	47.9	258	—	9,694	20,003	533.4	266.7
North Dakota	701.2	41,098	0.42%	17.1	1,403	—	11,705	23,915	249.4	144.9
Oklahoma	3,360.4	191,103	1.93%	17.6	1,301	—	10,759	20,814	1,270.7	658.2
South Dakota	721.1	36,396	0.37%	19.8	1,164	—	10,515	19,482	265.4	129.5
Utah	1,704.2	50,483	0.51%	33.8	2,826	—	9,116	23,862	529.1	311.8
Wyoming	512.3	21,000	0.21%	24.4	820	—	11,980	26,888	188.7	119.5
NON-CONTIGUOUS-70,598 REGISTERED BOATS 0.71% OF U.S. TOTAL										
Alaska	551.7	29,134	0.29%	18.9	20,171	31,383	14,762	32,624	190.3	130.9
Hawaii	1,077.6	14,052	0.14%	76.7	46	1,052	12,463	29,221	337.8	223.6
American Samoa	—	142	0.00%	—	—	—	—	—	—	—
Guam	—	720	0.01%	—	—	—	—	—	—	—
N. Marianas	—	640	0.01%	—	—	—	—	—	—	—
Puerto Rico	—	23,026	0.23%	—	—	—	—	—	—	—
Virgin Islands	—	2,884	0.03%	—	—	—	—	—	—	—

1986 Imports Show Diminishing Gain

Imports of boats and boating products into the United States continue to show diminishing gains. Imports were up only 13% in 1986 compared to increases of 42.2% and 23.6% in 1984 and 1985 respectively. The American buyer's romance with imported products has been cooled somewhat by the rising cost of imported goods, and the introduction of an extremely palatable array of U.S. made boats that sport good looks and reflect new technology.

The major boat exporters to the United States were: Taiwan ($144.9M); Canada ($37.1M); Japan ($36.7B); Italy ($32.8M); France ($27.5M); Netherlands ($24.8M); United Kingdom ($18.4M); Singapore ($15.7M); Finland ($12.6M); and Hong Kong ($11.3M).

DOLLAR VALUE OF BOAT IMPORTS

Year	Value	%Change
1986	$395,937,000	+13.0
1985	$350,485,000	+23.6
1984	$283,519,000	+42.2
1983	$199,359,000	+32
1982	$151,225,000	−8.2
1981	$164,712,949	+28.0
1980	$128,233,550	−4.7
1979	$134,541,117	+27.3
1978	$105,657,112	+32.1
1977	$ 79,965,379	+41.4